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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE PATENT
APPLICATION OF: Craig W. BARNETT *et al.*
SERIAL NO.: 09/754,378
ATTORNEY
DOCKET NO: 031792-0311531 (24122-303-407)
FILING DATE: January 5, 2001
ART UNIT: 3622
EXAMINER: A. DURAN
FOR: METHOD AND SYSTEM FOR ELECTRONIC DISTRIBUTION OF PRODUCT
REDEMPTION COUPONS

RECEIVED

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U.S. PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS
AND INTERFERENCES

REQUEST FOR REHEARING UNDER 37 C.F.R. § 41.52

Appeal No. 2005-2439

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA. 22313-1450

Dear Sir:

In response to the Decision on Appeal mailed February 7, 2006 in the above-captioned application, Appellants respectfully submit this Request for Rehearing Under 37 C.F.R. § 41.52. This Request is being timely filed within two months of the date of the Decision of the Board of Patent Appeals and Interferences.

It is believed that no fees are due in connection with the filing of this Request. In the event that it is determined that fees are due, however, the Director is hereby authorized to charge the undersigned's Deposit Account No. 033975 (Ref. No. 031792-0311531).

I. INTRODUCTION

Appellants submit this Request for Rehearing Under 37 C.F.R. § 41.52 in response to the February 7, 2006 Decision on Appeal (hereinafter "Decision") of the Board of Patent Appeals and Interferences (hereinafter "Board"). Appellants respectfully request rehearing for consideration of the legal and factual errors underlying the Board's determination of obviousness under 35 U.S.C. § 103(a), including:

- A. The legal error of failing to apply the proper legal test for determining whether the relied upon references are analogous art to the claimed invention and, in so doing, improperly determining the scope and content of the prior art to include non-analogous references;
- B. The legal error of engaging in impermissible hindsight by failing to determine obviousness as of the time Appellants' invention was made;
- C. The legal error of failing to properly analyze the obviousness issue, including:
 - 1. failure to properly consider the factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966);
 - 2. reliance on speculative modifications to the primary reference without evidence or other support; and
 - 3. failure to appreciate that the Examiner has failed to meet his burden in establishing *prima facie* obviousness; and
- D. The legal error of failing to provide Appellants with a fair opportunity to address the new rationale advanced by the Board to affirm the obviousness rejection.

In view of these errors, Appellants request that the Decision be reversed. Alternatively, Appellants request that the Decision be deemed to constitute a new rejection (for the reasons set forth below) and that the Decision be vacated and remanded to the Examiner for further consideration, and to provide Appellants a fair opportunity to address the new rationale imposed by the Board.

II. BACKGROUND

A. THE INVENTION

The above-captioned application was filed on January 5, 2001, and claims priority to U.S. Patent Application Serial No. 08/425,185 filed April 19, 1995 (now U.S. Patent No. 6,321,208 B1, issued November 20, 2001). Thus, this is the presumptive date to use in determining whether the invention was obvious.

The claimed invention relates to an Internet-based incentive system. The system stores incentive information (*e.g.*, coupons) at an Internet-accessible location (*e.g.*, a web site). Users can visit the website, from a remote terminal (*e.g.*, standard computer) to request access to a set of coupons, to view a user-specific subset of coupons determined to be available to that user, and to print at a remote terminal coupons selected by the user.

When a user visits the website, the website determines if that user has registered with the system. If not, the user is prompted to complete electronically a user profile. Upon initial registration, the system downloads to the user's terminal an incentive data management software module which is encoded with a unique identifier ("Unique ID") assigned as a result of the registration. The incentive data management software module and Unique ID are stored on the

remote terminal. The incentive data management software module is subsequently used whenever the user wants to print incentives from that remote terminal.

The incentive data management software module is a separate piece of software that functions to manage the printing of incentives. One important function of the incentive data management software module is to specifically ensure that the unique identifier is printed on incentives that the user prints. This incentive data management software module is separate from any standard print capabilities that the general purpose computer may have. It functions to control printing when a user elects to print incentives from the Internet-based incentive system. This incentive data management software module plays a role in the security and redemption tracking features of the invention.

Unlike the prior art where coupons are broadcast or otherwise sent in bulk to a large group of users based on action initiated by the system, in the invention, individual users can access incentives whenever they want by visiting the incentive website. Thus, based on a user-initiated action, a user can access a set of incentives. Additionally, the system makes a determination of a subset of incentives, out of the entire group stored at the website, that should be made available for that specific user to view. Moreover, a user can actually view and browse through the user-specific subset of incentives and select desired incentives for printing. The selected incentives are printed under control of the incentive data management software module. The incentives can be redeemed (*e.g.*, at a retailer). Redemptions are monitored and redemption data is provided to incentive distributors an/or incentive issuers. The redemption data can be analyzed and the analysis can be used to create subsequent "targeted" incentives based on various

targeting criteria (e.g., prior purchase history). The subsequent user-specific targeted incentives can be made available to a user if the user satisfies the targeting criteria.

Representative independent claim 76 is reproduced below:

76. A method for viewing and printing at a remote terminal user-specific incentives, the method comprising:

- storing at an Internet-accessible location incentive information pertaining to a group of available incentives;
- storing user profile information and user usage history information for one or more users;
- receiving at the Internet-accessible location, from a user of a remote terminal, a request for access to the stored incentive information;
- determining at the Internet-accessible location if the user is a registered user, and if the user is not registered:
 - i) transmitting a prompt to the user's remote terminal to electronically complete a user profile;
 - ii) receiving and storing the user profile; and
 - iii) downloading to the user's remote terminal an incentive data management software module for managing the printing of incentives, wherein a printed incentive includes unique user identification information;
- if the user is registered, the user viewing a subset of incentives from the group of available incentives, the subset of incentives being based on user-specific information, which comprises at least one of the user profile information and the user usage history information;
- the user selecting one or more incentives from the subset of incentives for printing, each of the one or more incentives comprising various fields, including a redemption amount field and at least one other field, the redemption amount field comprising data indicative of a discount provided by the incentive, the at least one other field being determined in accordance with user-specific information associated with the requesting user;
- printing at the remote terminal, under control of the incentive data management software module, one or more of the user-selected incentives which can be redeemed by a user;
- storing at the Internet-accessible location information regarding printed incentives;
- subsequent to a user redeeming one or more of the printed incentives, storing redemption information;
- providing at least incentive redemption data to at least one incentive distributor or incentive issuer to enable the at least one incentive distributor or incentive issuer to use at least the incentive redemption data for market analysis to create at least one subsequent targeted incentive targeted based on targeting criteria; and
- making the at least one subsequent incentive available to a user if the user satisfies the targeting criteria.

B. APPELLATE PROCEDURAL HISTORY

On August 10, 2004, Appellants filed a Notice of Appeal in response to the June 22, 2004 Office Action (hereinafter "Final Action"). The Final Action rejected pending claims 76-112 under the judicially created doctrine of obviousness-type double patenting and 35 U.S.C. § 112, ¶1. Claims 76-112 were also finally rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 5,227,874 to Von Kohorn in view of U.S. Patent No. 5,734,823 to Saigh *et al.* ("Saigh") [Final Action, pg. 4]. The 103 rejection was based on the Examiner's erroneous allegation that Von Kohorn teaches every element of the claimed invention except for the use of the Internet, and that it would have been obvious to modify Von Kohorn to include the teaching, in Saigh, of using the Internet as a communication channel [Final Action, pg. 6].

Appellants' Brief on Appeal ("hereinafter Appeal Brief") was filed on March 10, 2005. With regard to the 103 rejection, Appellants argued that the Examiner failed to meet his burden of proof in establishing a *prima facie* case of obviousness because: (1) Von Kohorn and Saigh constitute non-analogous art; (2) there is no legally proper teaching, suggestion, or motivation to modify Von Kohorn to include the teachings of Saigh; and (3) Von Kohorn and Saigh, even if combined, fail to disclose, teach, or suggest all of the claim elements [Appeal Brief, pg. 13].

The Examiner's Answer (hereinafter "Answer") was mailed April 27, 2005. Appellants filed a Reply Brief on June 27, 2005, and an Oral Hearing was held on January 11, 2006.

In the February 7, 2006 Decision, the obviousness-type double patenting rejections were sustained as a mere formality [Decision, pgs. 4-5]¹ and the rejection of dependent claims 82 and

¹ Appellants did not substantively address these double-patenting rejections in the Appeal Brief, but rather indicated that a terminal disclaimer would be filed upon the indication of allowable subject matter [Appeal Brief, pg. 10].

91 under 35 U.S.C. § 112, ¶1 was reversed [Decision, pgs. 4-7]. The rejection of claims 76-112 under 35 U.S.C. § 103(a) was sustained [Decision, pgs. 4, 7-16]. Rehearing is requested for the Board's affirmation of the rejection under 35 U.S.C. § 103(a).

III. STANDARD OF REVIEW

As a tribunal of the U.S. Patent and Trademark Office, the Board of Patent Appeals and Interferences ("Board") is governed by the Federal Administrative Procedure Act. *See In re Sang-Su Lee*, 277 F.3d 1338, 1342, 61 U.S.P.Q. 2d 1430, 1432 (Fed. Cir. 2002). As such, any of the Board's actions, findings, and conclusions which are "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law..." may be set aside. 5 U.S.C. § 706(2) (2000). *See also In re Lee*, 277 F.3d at 1342 (vacating the Board's obviousness rejection for "failure to meet the adjudicative standards for review under the Administrative Procedure Act," and remanding for further proceedings). In addition, the Board must present a full and reasoned explanation of its decision. *See In re Lee*, 277 F.3d at 1342 (quoting *Allentown Mack Sales and Serv., Inc. v. Nat'l Labor Relations Bd.*, 522 U.S. 359, 374 (1998) for the proposition that "[n]ot only must an agency's decreed result be within the scope of its lawful authority, but the process by which it reaches that result must be logical and rational"). At a minimum, since the Decision is premised on conclusions that do not result from a proper legal analysis, they are not in accordance with law. To the extent the Decision is based on unsupported factual assertions, it further is arbitrary, capricious, and/or an abuse of discretion.

IV. ARGUMENT

A. THE BOARD ERRED BY IMPROPERLY DETERMINING THE SCOPE AND CONTENT OF THE PRIOR ART.

The Decision ignores the well-established legal test for determining whether a particular reference is within the appropriate scope of the prior art. The Board improperly determined that Von Kohorn and Saigh are analogous art with respect to Appellants' claimed invention by pointing to certain disclosures in Von Kohorn and Saigh in an effort to demonstrate the overall relevance of these references to Appellants' claims [Decision, pgs. 10-11]. This is not the correct legal test.

As stated in the Appeal Brief (at pg. 14), a two step test has been developed to determine whether a particular reference is within the appropriate scope of the prior art. First, it must be determined whether a particular reference is "within the field of the inventor's endeavor." Second, assuming the reference is outside that field, it must be determined whether the reference is "reasonably pertinent to the particular problem with which the inventor was involved." *In re Deminski*, 796 F.2d 436, 442, 230 U.S.P.Q. (BNA) 313, 315 (Fed. Cir. 1986). The Board explored neither inquiry in the Decision. This is clear legal error. With regard to Saigh, for instance, the Board simply recited:

With respect to Saigh, it was cited to show that it was known to use the Internet to distribute coupons on demand. Although Saigh has much wider applicability than the distribution of coupons, it is clearly analogous art with respect to the claimed distribution of coupons.

[Decision, pg. 11].

In this two-sentence “analysis,” the Board considered neither the *fields of endeavor* of the claimed invention and Saigh, nor the *problems* with which the claimed invention and Saigh were concerned.

Even if it were true that Saigh discloses distributing content, including coupons, over the Internet, this alone is a legally insufficient basis upon which to conclude that Saigh constitutes analogous art. From the Decision, it is clear that the proper legal test has not been applied. The mere fact that Saigh may mention that coupons can be distributed over the Internet alone does not render Saigh an Internet-based incentive distribution system.

According to the Board’s rationale, because Saigh may assert that coupons can be transmitted over the internet, then any website is a coupon distribution system. This is not the case. This logic trivializes the invention and fails to consider either the proper field of endeavor or the problems faced by the inventors.

Just because a potential prior art reference may have something in common with the claimed invention does not necessarily mean that the reference qualifies as prior art that can be considered in an obviousness analysis. To the contrary, only “analogous art” may be considered [Reply Brief, pgs. 4-5]. Moreover, as the cases discussed in the Reply Brief (at pg. 5) indicate, application of the proper two-step legal analysis frequently demonstrates that references, which might appear relevant to (or have something in common with) a claimed invention, are not analogous and therefore may not be properly considered. The Federal Circuit has frequently confirmed this. For example, it has held that the art of petroleum extraction is not analogous to the art of petroleum storage despite both being in the petroleum industry. *In re Clay*, 966 F.2d 656, 659-60 (Fed. Cir. 1992). Fasteners for garments are not analogous to fasteners for a hose

clamp. *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992). Paper stapling is not analogous to surgical stapling. *U.S. Surgical Corp. v. Hospital Prods. Int'l Pty., Ltd.*, 701 F. Supp. 314, 334 (D. Conn. 1988). Single in-line memory modules (SIMMs) for an industrial controller is not analogous to SIMMs for personal computers. *Wang Labs., Inc. v. Toshiba Corp.*, 993 F.2d 858, 864 (Fed. Cir. 1992). Railway car brakes are not analogous to automotive vehicle brakes. *SAB Industri AB v. The Bendix Corp.*, 199 USPQ 95, (E.D. Va. 1978). The Board's analysis with regard to Saigh applies a rationale that repeatedly has been rejected by the Federal Circuit.

With regard to Von Kohorn, the Board also failed to apply the proper legal test. As a result, its conclusion that Von Kohorn is analogous art is legally flawed. For instance, the Board recited that "[t]he fact that Von Kohorn also teaches a method for measuring the effectiveness of different stimuli on user purchases does not detract from the fact that Von Kohorn also teaches a coupon distribution system as claimed" [Decision, pgs. 10-11]. This statement is inaccurate and constitutes a legal error. In Von Kohorn, measuring the effectiveness of different stimuli on user purchases *is the field of invention*.

Von Kohorn relates to a broadcast system for measuring the impact of stimuli on individuals, and more particularly, to evaluating the short term and long term effectiveness of *broadcast* and print stimuli under varying circumstances [Von Kohorn, col. 1, lines 20-24]. As part of Von Kohorn's system, users are provided with awards - - one example of which may be coupons - - in response to performance of some task (*e.g.*, by providing an answer to a question, or by selecting a product of interest) [Von Kohorn, *e.g.*, col. 1, lines 43+]. The fact that Von Kohorn's broadcast system also involves, to some extent, coupons misses the point of the proper legal test. Von Kohorn clearly fails to disclose an Internet-based coupon distribution system as

claimed by Appellants. Von Kohorn clearly is not an Internet-based system. Nor is it a coupon distribution system. It is a broadcast system in which coupons are ancillary.

Von Kohorn's failure to disclose an Internet-based coupon distribution system does not just relate to the communication channel as the Board seems to focus on. Rather, at least the following explicit claim recitations relate to the proper inquiry and further demonstrate that Von Kohorn is not an Internet based coupon distribution:

storing at an Internet-accessible location incentive information pertaining to a group of available incentives;

.....

receiving at the Internet-accessible location, from a user of a remote terminal, a request for access to the stored incentive information;

.....

determining at the Internet-accessible location if the user is a registered user...

.....

storing at the Internet-accessible location information regarding printed incentives

Claim 76 (Emphasis added).

The Board further justified its conclusion with legally irrelevant and unsupported assertions. For example, the Board recited, without providing any citations whatsoever, that "[t]here is no question that Von Kohorn prints user-specific coupons at user terminals" [Decision, pg. 10]. It is unclear to Appellants where in Von Kohorn this feature is disclosed. Additionally, the mere fact that coupons may get printed does not make Von Kohorn a coupon distribution system. According to this logic, if one were to photocopy a coupon using a photocopier, then a photocopier is a coupon distribution system. Clearly this is an untenable conclusion.

Moreover, for purposes of determining whether Von Kohorn is analogous art, it is not relevant whether Von Kohorn could be modified to use the Internet, as the Board seems to conclude. *Graham v. Deere* dictates that *first* the scope and content of the prior art must be determined. This includes determining what constitutes analogous art. If a reference is determined not to constitute analogous art, it can not be further considered in the obviousness analysis. This is another legal error made by the Board.

It the Appeal Brief, Appellants articulated the field of endeavor for Appellants' claimed invention, for Von Kohorn, and for Saigh [Appeal Brief, pgs. 14-15], as well as the problems with each were concerned [Appeal Brief, pgs. 15-18] as required by the proper legal test for analogous art. In determining that Von Kohorn and Saigh are analogous art with respect to Appellants' claimed invention, the Board did not even refute that these are the proper fields of endeavor, or problems. Accordingly, when the proper legal test is applied to Von Kohorn and Saigh, and when the uncontested fields of endeavor and problems are analyzed, neither Von Kohorn nor Saigh can properly be considered analogous art. Thus, neither is within the scope and content of the prior art. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). As a result, neither can be properly considered in an obviousness analysis.

Reconsideration is requested because the Board has improperly affirmed, without consideration of the proper legal test, the Examiner's determination that Von Kohorn and Saigh are analogous art with respect to Appellants' claimed invention. In view of the arguments presented in the Appeal Brief (at pgs. 14-18) and the Reply Brief (at pgs. 4-8), it is clear that neither the Examiner nor the Board have proven an essential element of the obviousness test, *i.e.*, that Von Kohorn and Saigh are within the scope and content of the prior art. These references

therefore cannot be relied upon to prove obviousness of Appellants' invention as claimed in any of pending claims 76-112.

B. THE BOARD ERRED BY IMPROPERLY FAILING TO DETERMINE OBVIOUSNESS AS OF THE TIME APPELLANTS' INVENTION WAS MADE.

Obviousness is determined "at the time the invention was made." 35 U.S.C. § 103(a). The Federal Circuit has noted that this language of Section 103 "guards against entry into the tempting but forbidden zone of hindsight." *In re Dembiczak*, 175 F. 3d 994, 998, 50 U.S.P.Q.2d 1614, 1616 (Fed. Cir. 1999) (internal quotations omitted). The Board committed legal error by determining obviousness based on the prevalence of the Internet as an interactive network today, and *not* at the time the invention was made. In justifying the modification of Von Kohorn to include the teaching of Saigh, the Board recited:

Although Von Kohorn teaches the distribution of coupons to users over a television or radio broadcast network, Von Kohorn also teaches such distribution over a closed circuit network [column 10, line 37] . Von Kohorn also defines an "interactive system" as a "system for communicating from a sender to a respondent and having the capacity for allowing the sender to receive a communication, when desired, from the respondent whether by manual or electronic means" [column 9, lines 9-13]. Thus, it appears to us that Von Kohorn contemplates any interactive network as suitable for practicing his invention. We agree with the examiner that the artisan would have been motivated to use the Internet as the interactive network in Von Kohorn **because the Internet has become accessible to nearly everyone who owns a personal computer and the Internet has become the wide area network of choice by such computer users.**

[Decision, pg. 13, **emphasis added**].

The instant application has an April 19, 1995 priority date. The Board has provided no evidence that the Internet was accessible to "nearly everyone" who owned a personal computer as

of Appellants' priority date, nor has any evidence been provided demonstrating that the Internet was the "wide area network of choice" by such computer users as of Appellants' priority date. It is legal error for the Board to justify its obviousness determination based on the ubiquitous nature of the Internet today and what it "has become," well *after* the time Appellants' invention was made. This is a classic case of impermissible hindsight. Moreover, the Board's speculation that Von Kohorn "contemplates any interactive network as suitable for practicing his invention" as a basis for modifying Von Kohorn to include the Internet is made without any evidentiary support. Clearly, Von Kohorn does not disclose this.

The Board has provided no evidence that the Internet was suitable for broadcasting television programming (such as the television programming disclosed in Von Kohorn) as of Appellants' priority date (1995). Evidence of record concerning Internet data transfer speeds can be found in Appellants' own Specification, which refers to Internet access speeds on the order of 28.8 kbps as "high speed communications" [Specification, pg. 33, lines 1-10]. The Board has provided no evidence that 28.8 kbps is a sufficient data transfer speed for broadcasting television programming over the Internet. Thus, at the time of Appellants' invention, the Board has provided no evidence of a suggestion to use the Internet as the communication channel for Von Kohorn's broadcast.

In addition, a majority of the embodiments of Von Kohorn rely on special purpose custom response units which are needed for users to receive and respond to broadcasts. These units are placed in systematically or randomly selected homes, used for desired research purposes, and thereupon moved to new locations [Von Kohorn, *e.g.*, col. 20, lines 8+]. The

Board has provided no evidence to support eliminating the custom response units of Von Kohorn in favor of an Internet-based system.

The lack of evidentiary support for modifying Von Kohorn in the manner suggested by the Board demonstrates impermissible hindsight. Reconsideration is requested because the Board has improperly failed to determine obviousness at the time Appellants' invention was made based on supported evidence. As a result, no legally proper teaching, suggestion, or motivation has been established to modify Von Kohorn to include the teachings of Saigh.

**C. THE BOARD ERRED BY FAILING TO PROPERLY DETERMINE
OBVIOUSNESS AGAINST THE BACKGROUND OF THE FACTUAL
INQUIRIES SET FORTH IN GRAHAM V. JOHN DEERE CO.**

The Board erred by failing to properly determine obviousness against the background of the factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Particularly, the Board *first* pronounced its determination of obviousness, and *then* set about determining the differences between the prior art and the claims at issue and concluded that Von Kohorn could be *further modified* to meet the claims. The Board used the improper obviousness determination as a backdrop to completely redefine several aspects of the disclosed operation of the system and method of Von Kohorn in a speculative effort as to how one could modify Von Kohorn to recreate Appellants' claimed invention. There is no evidentiary support whatsoever for this exercise, and it is legally improper. The Board engaged in classic hindsight reconstruction to improperly affirm the rejection of the Examiner. This constitutes clear legal error.

1. THE GRAHAM V. JOHN DEERE CO. TEST.

Obviousness is a question of law based on the following underlying factual inquiries: “(a) the scope and content of the prior art; (b) the differences between the prior art and the claims at issue; (c) the level of ordinary skill in the art; and (d) objective evidence of nonobviousness.” *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 958, 1 U.S.P.Q.2d 1196, 1197 (Fed. Cir. 1986) (citing *Graham v. John Deere Co.*, 383 U.S. 1 (1966)). “Against this background, the obviousness or nonobviousness of the subject matter is determined.” *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). When present, evidence of secondary considerations “must be considered in determining obviousness.” *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 667, 57 U.S.P.Q. 2d (BNA) 1161, 1169 (Fed. Cir. 2000).

2. THE BOARD FAILED TO PROPERLY APPLY THE GRAHAM V. JOHN DEERE CO. TEST.

The Board clearly erred when it arrived at the legal conclusion that it would be obvious to modify the communication channel of Von Kohorn to be the Internet *before* all of the facts underlying a proper legal conclusion as to the *claim as a whole* were considered. This legal error is clearly evident from the Board’s response to Appellants’ arguments concerning the differences between Von Kohorn and the claimed invention:

We respond to these arguments with the understanding that we have already determined that it would have been obvious to the artisan to modify the system and method of Von Kohorn to include using the Internet as the communication channel between the coupon distributors and the coupon users.

[Decision, pg. 14, **emphasis added**].

Determining obviousness of one element prior to addressing the factual differences between Von Kohorn and the claimed invention demonstrates a misapplication of the *Graham v.*

John Deere Co. test. For this reason alone, the Board's affirmation of the obviousness rejection should be reversed.

The Board committed further legal error, however, by using this premature (and erroneous) legal conclusion to then use hindsight to speculate how Von Kohorn could then be further modified to recreate Appellants' claimed invention. For example, the Board made several speculations, without explanation or support, as to how the modified system of Von Kohorn "would" operate:

After such modification, the coupons of Von Kohorn would be sent from an Internet site to each user along with the modules necessary to control the printing of coupons. Under such circumstances, the coupon data would have to be stored at the Internet site, and the user would have to request coupons from the Internet site.

[Decision, pg. 14, **emphasis added**].

No basis is provided for these speculations. The Board alleged without support that it would be obvious to modify Von Kohorn to use the Internet as a "communication channel" [Decision, pg. 14]. After modifying the transmission medium of Von Kohorn, the Board then made the unsupported leap that Von Kohorn would now be an Internet system, and began to redefine all of the other components of Von Kohorn accordingly. This constitutes hindsight upon hindsight. For example, as the passage above indicates, the Board determined that coupon distribution would now be from an "Internet site" instead of a broadcast system. No support is provided for modifying the distribution means of Von Kohorn in this manner. The Board further determined that coupon data "would have to be stored at the Internet site." This is also an unsupported conclusion. The Board also failed to explain how the special purpose custom response units of Von Kohorn would be able to access the Internet.

After altering the transmission medium of Von Kohorn, then the distribution means, and then the storage means, the Board devised a new method of use of the reconstructed system of Von Kohorn (guided by Appellant's claims, and not evidence). The Board ignored that Von Kohorn discloses a "broadcast" system which initiates transmissions to a broadcast audience. Instead it determined that users would now have to request coupons from the Internet site. Users in Von Kohorn do not request coupons or initiate communications with broadcast systems. In part, this is because Von Kohorn is *not* a coupon distribution system. While users in Von Kohorn may receive coupons, this is ancillary to Von Kohorn's system.

It is undisputed that the primary purpose of Von Kohorn relates to measuring the impact of short term and long term effectiveness of broadcast and print stimuli under varying circumstances [Von Kohorn, col. 1, lines 20-24]. Von Kohorn is concerned with quantifying the initial impact and the continuing effectiveness of advertising on shoppers with respect to an identified advertisement in terms of the purchase of the advertised product [Von Kohorn, col. 1, lines 43-47]. In order for a user to receive a coupon in Von Kohorn, a user typically performs some task such as, for example, providing an answer to a question, or by selecting a product of interest [Von Kohorn, *e.g.*, col. 1, lines 43+].

This is quite different, however, from Appellants' claimed invention wherein users request access to incentive information stored at an Internet-accessible location, view (from a group of available incentives) a subset of incentives that are based on user-specific information, and select one or more incentives (from the subset of incentives) for printing under the control of an incentive data management software module that has been downloaded to the user's remote terminal during a registration process.

The Board has failed to provide any teaching, suggestion, or motivation to alter the operation of the system and method of Von Kohorn in the manner it proposes to recreate Appellants' claimed invention. In the absence of evidentiary support, it is clear that the Board engaged in an exercise of classic hindsight reconstruction. By failing to first address the differences between the claimed invention and the prior art, the Board legally erred in failing to consider obviousness of the claimed invention as a whole.

3. THE BURDEN OF PROOF.

The Board erred in further contending that Appellants' arguments comprise nothing more than a recitation of various claim limitations along with an assertion (without explanation or analysis) that the cited portions of Von Kohorn fail to teach the claim limitations [Decision, pgs. 13 and 15]. Aside from being incorrect, this assertion ignores the legal issue of burden of proof.

It is well established that "the examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant." *In re Oetiker*, 977 F.2d 1443, 1445, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992) (discussing *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984)). Throughout prosecution, the Examiner has attempted and failed to meet his burden by taking a "scatter-shot" approach to the prior art rejection by selectively picking and choosing features from among the multiple embodiments of the voluminous Von Kohorn disclosure. In many instances, for each particular claim feature, the Examiner has identified several citations of Von Kohorn as allegedly disclosing the feature, but provides no other explanation [e.g., Final Action, pgs. 4-15]. Additionally, many of these cites appear to be irrelevant to the claimed element for which they are cited. Appellants have in fact

provided discussion of the differences between the passages cited by the Examiner and the claimed invention [e.g., Reply Brief, pgs. 10-15; Appeal Brief, pgs. 20-23]. In reviewing the citations relied upon by the Examiner, as well as the Von Kohorn reference as a whole, it is clear to Appellants that the Examiner has failed to meet his burden in establishing *prima facie* obviousness.

D. NEW GROUNDS OF REJECTION.

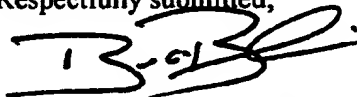
It is clear that the Board has advanced its own rationale (instead of the Examiner's rationale) to affirm the rejection under 35 U.S.C. § 103(a). This constitutes a new ground of rejection. At a minimum, the Board's failure to remand the rejection to the Examiner for further consideration constitutes legal error as Appellants have not been provided a full opportunity to respond to the new rejection. See *In re Kumar*, 418 F.3d 1361, 1368, 76 U.S.P.Q.2d 1048, 1052 (Fed. Cir. 2005) (discussing *In re Waymouth*, 486 F.2d 1058, 1060-1061 (CCPA 1973) as "holding that a new rejection had occurred where the examiner and the board rejected a claim for different reasons"); and citing *In re Kronig*, 539 F.2d 1300, 1302 (CCPA 1976) (for the proposition that "the ultimate criterion of whether a rejection is considered 'new' in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection"). Accordingly, at a minimum, the Decision sustaining the rejection under 35 U.S.C. § 103(a) should be vacated and remanded to the examiner for further consideration, and to allow Appellants a full opportunity to respond to the new rejection.

V. CONCLUSION

In sustaining the rejection of claims 76-112 under 35 U.S.C. § 103(a), the Board improperly determined the scope and content of the prior art, engaged in impermissible hindsight by failing to determine obviousness as of the time Appellants' invention was made, and failed to properly determine obviousness against the background of the factual inquiries set forth in *Graham v. John Deere Co.* For each of these reasons, Appellants respectfully request favorable consideration of this Request for Rehearing, and reversal of the rejection of claims 76-112 under 35 U.S.C. § 103(a). In the alternative, since the Board's rationale constitutes a new rejection, Appellants request that the Decision be vacated and remanded to the Examiner for further consideration.

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Respectfully submitted,



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